Exhibit K

CipherBlade

Blockchain Investigation Agency

PRELIMINARY EXPERT REPORT

Matter: Pierce Robertson et al. v. Mark Cuban, et al.

Date: 20220810

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I. ASSIGNMENT AND SUBSTANTIATING RECORDS

1. I have been asked by The Moskowitz Law Firm, PLLC on behalf of Plaintiffs to provide a report providing insight on:
    a. Blockchain industry history relevant to the insolvency of firms such as Voyager, particularly key events such as the promotion and collapse of Bitconnect, influencers promoting such platforms, and how such influencers are compensated.
    b. Voyager's 'Earn' program and whether the APYs offered to consumers reflected the type of activity that Voyager, and their influencers, represented Voyager performed in order to be able to offer such APYs.
    c. Whether those promoting Voyager knew, or did not know, of the risks associated with Voyager, particularly Voyager's Earn program *and*
    d. Whether or not influencers accurately represented said risk, and/or otherwise misled consumers into making deposits into a platform they were led to believe was a no or low risk investment.
    e. Whether or not, generally speaking, those promoting Voyager were aware of issues with Voyager (in particular, Voyager's Earn program), whether through direct knowledge of issues with Voyager (such as a lack of transparency) or through common sense industry knowledge.
2. In order to execute this assignment, I reviewed the same relevant documentation for my Preliminary Report and Supplemental Reports filed in the *Cassidy v. Voyager Digital LTD, et al.* matter (these reports are being offered in this case as the summary of my opinions on the same issues, such as misrepresentations related to Voyager's platform functionality), and otherwise relied on information widely available in the public domain as well as direct experience.

II. SUMMARY OF OPINIONS

3. Voyager has many similarities with Bitconnect, including, but not limited to the following:
    a. Bitconnect misrepresented how they were generating profit for their investors by alleging to have a "trading bot" which never existed. Voyager misrepresented how they were generating profit for their investors via a combination of a lack of transparency and deliberately misleading the public to believe their utilization of customer deposits (particularly, with the Earn

program, via comparatively low-risk loans Voyager would be utilizing customer deposits for) were for lower-risk activity; Voyager has failed to evidence that customer deposits were utilized for this lower-risk activity and thus fundamentally lied about the use of customer funds much like Bitconnect.

b. Bitconnect offered a lucrative referral program that offered a percentile of referral's "investments". Those "investments" were subject to lockup periods. Voyager offered a referral program as well, offering $50 in free Bitcoin for simply trading a $100 equivalent in cryptocurrency; while Voyager presumably made a profit in said trades, Voyager invariably took significant long-term losses with a referral program that was aggressively utilized and simply not mathematically sustainable.

c. Bitconnect (and influencers thereof) specifically targeted new cryptocurrency investors, offering to "educate" them about digital assets while enticing these newer investors with tales of extremely lucrative investment success, while not accurately portraying risks. Voyager (and influencers thereof) did exactly the same thing.

d. Bitconnect suddenly pulled the plug in January of 2018, citing "regulatory pressure[1]." Voyager has faced regulatory attention, and cites "market conditions"[2] as the reason for pulling the plug. In each of these circumstances, the *real* reason the plug had to be pulled was insolvency.

e. Bitconnect failed to evidence the existence of a "trading bot" and plainly relied upon a new stream of new depositors in order to meet their obligations for customer withdrawals. Voyager relied on new depositors in much the same way.

f. Those that promoted Bitconnect, even if they "lost money" upon Bitconnect's sudden exit, naturally made far more money than they lost. The same is inevitably true of those that promoted Voyager. Said differently, those that were influenced were left holding the Bitconnect and Voyager bags, while the influencers profited – knowingly – off of the inevitable future losses of their followers.

g. Promoters of Bitconnect, as well as Bitconnect, were not transparent about how many people they had signed up and generally what their affiliate program was "costing the business" (Bitconnect.) The same applies for

[1] https://coincentral.com/bitconnect-terminate-lending-exchange-platforms/

[2] https://www.cnbc.com/2022/07/01/voyager-digital-suspends-all-trading-deposits-and-withdrawals-.html

Voyager. Said differently, many promoters likely “earned” far more from affiliate signups than anything from the “Earn” program Voyager offered; in fact, I predict that many of the most “successful” Voyager affiliates kept only a modest amount of their portfolio in Voyager and did not generally keep large sums (let alone their life’s savings) in Voyager, despite these influencers implying it would be safe for their followers to do so.

h. Bitconnect spent extensive resources promoting themselves at blockchain conferences and throwing lavish parties. Voyager also spent extensive resources sponsoring events and on marketing, particularly in marketing to those that haven’t yet invested in digital assets or were new to doing so. Bitconnect threw an “Annual” lavish gathering; Voyager would offer $100,000 in cryptocurrency for landing a basketball shot. Bitconnect had a music video[3], Voyager sponsored sports teams. Bitconnect and Voyager’s lavish marketing activity were both suspiciously deviating from the norms of the industry.

i. After the collapse, promoters of Bitconnect would seek to distance themselves from Bitconnect; take for example Trevon James stating “I didn’t work for Bitconnect, I didn’t create BitConnect, I was just making videos like any other person.”[4] Promoters of Voyager have largely gone as quiet, or feigned ignorance, as promoters of Bitconnect did.

j. Bitconnect fostered what was effectively an echo chamber in their community by having those questioning the existence of the “trading bot” or the legitimacy/risk of the “project” chastised within the community or outright banned. Promoters of Bitconnect would avoid (what should be) easily answered questions, and commentary that would lead one to believe Bitconnect was legitimate was heavily emphasized/”upvoted”[5]/etc. Voyager fostered a community with the same core characteristics: providing a vague or non-response to simple questions and chastising doubt as “FUD”.

k. Bitconnect largely “marketed” itself via “educational” efforts, as did Voyager.

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[3] https://www.youtube.com/watch?v=dd9dS_uGrsU&ab_channel=TradingIsABusiness

[4] https://behindmlm.com/companies/bitconnect/bitconnect-defendant-claims-victims-are-crybaby-ass-motherfuckers/

[5] https://www.reddit.com/r/Invest_Voyager/comments/o6tgnf/how_does_voyager_support_a_9_interest_rate_on_usdc/ – note the most upvoted comment suggests that Voyager is making profit via user loans on their digital assets, which is not evidenced as a core part of Voyager’s revenue

l. Those that aggressively promoted Bitconnect quickly moved on to promoting other "projects". Those that aggressively promoted Voyager also generally moved on to promoting other projects.
m. Those promoting Bitconnect, and Bitconnect themselves, had a tendency to use buzzwords (such as "decentralized" or "arbitrage") that made them sound more competent than they actually were. Voyager, and those promoting Voyager, would often adopt a similar approach with phrases such as "passive yield on stablecoins" and "metaverse."
n. Those promoting Bitconnect often espoused the benefits of "cryptocurrency adoption." Those that were led to "invest" into Bitconnect were not assisting in the adoption of cryptocurrency; Bitconnect set the industry backwards, not forwards. The same is true of Voyager, which somehow attempted to represent sports teams promoting Voyager as "adoption." Speculative investment (such as a new cryptocurrency user simply purchasing some Bitcoin on Coinbase) barely qualifies as adoption. "Investment" into something, when that "something" is only invested in upon false representations (whether Bitconnect or Voyager), is not adoption – it is fraud.
o. Bitconnect, and those promoting Bitconnect, represented it was sustainable. Voyager's CEO, Stephen Ehrlich, described 9% APY on stablecoins as sustainable, and even suggested that banks can and should be offering the same yield.

4. While the problematic similarities between Bitconnect and Voyager are immense, there are noteworthy differences, including, but not limited to the following:
   a. Bitconnect generally did not succeed in getting pre-established public figures to promote them and relied on "educators" and "influencers" that were not immensely known outside of cryptocurrency. During this era, individuals such as Elon Musk influenced (and continue to heavily influence) the digital assets space.
   b. Voyager managed to take this observation ("normies" finding credibility in public figures such as Elon Musk) and leveraged it; Elon Musk promoting Dogecoin was associated with Dogecoin's exchange rate increase, therefore, sports teams promoting Voyager would result in demand for Voyager.
   c. While Bitconnect offered higher bonuses for larger deposits, Voyager actually offered lower yield for larger amounts. In my estimation, this was an effort of Voyager to mitigate *their* risk (as those losing comparatively less funds would be less likely to pursue action such as litigation), not the risk of customers.

III. "EDUCATORS" AND "INFLUENCERS" IN THE BLOCKCHAIN INDUSTRY

"And let me tell you that I am actually earning around 100-- I mean around $1,400 on an everyday basis seven days a week. WHAT?! I am right now independently, financially independently... I am saying to so many people who said that this was going to be a con artist game, that this was going to be a scammer game… "

"…My wife still doesn't even believe in me…" "Look, honey these is real." "No, no, no, no, no. That's a scam!"

5. There is perhaps no meme more iconic to the "cringe" immaturity of the blockchain industry than that of Carlos Matos[6], a promoter of now-defunct cryptocurrency ponzi Bitconnect. So entrenched in Bitconnect was Carlos Matos that his "15 minutes of fame" are best described as an incoherent screaming speech about how Bitconnect was making him insanely wealthy, and suggesting that despite his wife's apprehension that it was a scam, the fact that he was making money (somehow) verified the legitimacy of Bitconnect and that it was not a ponzi/scam. Bitconnect was, indeed, very much so a ponzi and a scam[7] which collapsed spectacularly in early 2018.
6. Bitconnect was one of the most well known cryptocurrency "projects" of the 2017 bull market. Many new investors flocked to Bitconnect in a desire to get rich quick, especially as Bitcoin (and, generally, the cryptocurrency market) saw a massive boom that year. Not content to simply acquire Bitcoin and other well-established cryptocurrencies, many sought altcoins or other projects to get rich quick(er). Many in

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[6] https://www.wnycstudios.org/podcasts/otm/segments/meme-known-cryptocurrencys-biggest-scam-now-nft-on-the-media
[7] https://www.newsbtc.com/news/bitconnect-ponzi-scheme-finally-collapsed-exit-scam-becomes-evident/

the blockchain industry (including myself) warned against the risks of utilizing Bitconnect.

Lending Amount	Interest (Accrued Daily)	Capital Back
$100 - $1000	Volatility Software Interest (up to 40 % Per Month)	After 299 Days
$1010 - $5000	Volatility Software Interest + 0.10% Daily (up to 40 % Per Month)	After 239 Days
$5010 - $10000	Volatility Software Interest + 0.20% Daily (up to 40 % Per Month)	After 179 Days
$10010 - $100000	Volatility Software Interest + 0.25% Daily (up to 40 % Per Month)	After 120 Days

Bitconnect's rates per their own website.

7. In essence, for a $10,000+ investment, one could hypothetically double their money[8] every year – and this is before even getting into their referral system. These returns were unlike anything ever seen in a legitimate investment, and prompted many people, including me, to call Bitconnect what it clearly was: a ponzi, and a scam. The reasons for such a conclusion should be plain, but to spell them out, Bitconnect represented that the way it was making profit was via a "trading bot", which was never evidenced to exist.

[8] https://medium.datadriveninvestor.com/bitconnects-ponzi-scheme-the-biggest-scam-in-the-cryptocurrency-world-2f2200a31392

8. These realities beg the question: with a diverse yet talented array of individuals ranging from figures such as Vitalik Buterin (one of Ethereum's co-founders) or I warning others, how was it possible for Bitconnect to sustain itself for as long as it did? Certainly, it needn't take a blockchain analysis expert to trace Bitconnect's funds (or, for that matter, Voyager's funds) to determine something was amiss: the narrative regarding the use of customer deposits simply was not evidenced and the promised returns unprecedented. The answer was simple: there were people willing to sell out their integrity to make a quick buck, many of which liked (and still like) to refer to themselves as "crypto educators" or "influencers".
9. In the absence of evidence of a trading bot (or in Voyager's case, in the absence of evidence of low-risk activity such as loans), something which would be easily evidenced (as would be evidencing Voyager's alleged use of customer deposits), in my professional opinion, and one I'd imagine would be reached by a reasonable layperson, the trading bot never existed.
10. The only way Bitconnect was able to sustain itself for as long as it did was through aggressive marketing and referral programs; so long as Bitconnect was able to draw in more deposits than withdrawals were being requested, Bitconnect could maintain a guise of solvency (and, thus, a guise of legitimacy, since the burden of proof their most staunch advocates demanded, such as proving the lack of existence of a trading bot, was impossible to reach) – until that day couldn't come, and Bitconnect collapsed quickly and spectularily when it did.
11. Enter the 2017 wave of influencers, such as Trevon James[9] and Craig Grant, who shamelessly promoted Bitconnect extensively on social media platforms. These "educational" videos often included extensive discussion of profit these "influencers" were making on Bitconnect as a core focus. Voyager was often promoted, particularly on Twitter, under a similar theme of making low-risk and easy passive income.
12. One that represents themselves as even having intermediate knowledge of digital assets, or for that matter a layperson's grasp of finance and/or mathematics, would have the wherewithal to know that Bitconnect's trading bot never existed and the yields were impossible to be sustainable. Despite this, these "educators" and "influencers" churned out videos (in some cases, on the daily) aggressively promoting Bitconnect, specifically targeting new investors. Prominently included in content, such as these YouTube videos, would be Bitconnect affiliate links.

[9] https://steemit.com/steemit/@callumcampbell/exposing-the-biggest-scam-in-cryptocurrency-trevon-james-and-bitconnect

13. These “educators” and “influencers” have a notorious reputation in the blockchain industry as being highly predatory. Many of these “educators” and “influencers” are, in fact, less educated than new cryptocurrency investors, or produce only minimal content related to the industry itself and otherwise focus nearly exclusively on “price/number go up”/”when moon, when lambo” (obsessive day-trading/price speculation discussion) topics, as they know that draws in a particular type of audience: naive and/or newer investors that want to get rich quick-er. These “educators” and “influencers” are, in fact, commonly described as idiots within their own industry. “Influencers” such as Trevon James do not contribute in any meaningful way to the blockchain industry (not in development, advancement of legitimate projects, etc.) and make their entire existence off of affiliate/referral programs – consequences and risk be damned. Such “educators” and “influencers” often played victim after Bitconnect’s collapse, including Trevon James, who attempted to suggest he lost money like everyone else and implied victimhood, despite the SEC charging him in the future for the aforementioned activity[10].

Trevon James iconic reaction to Bitconnect’s collapse, “... technically, you kinda lost your money..” was, perhaps unsurprisingly, made into a meme NFT.

[10] https://coingeek.com/sec-charges-btctre-trevon-james-and-others-who-promoted-bitconnect/

14. The "educational" content put out by influencers such as Trevon James was typically limited to nonsense videos that would only provide a perception of expertise to a new cryptocurrency investors. For example, Trevon James would briefly discuss current cryptocurrency prices by opening a cryptocurrency price aggregator such as CoinMarketCap, perhaps talk a little about an altcoin or an exchange or two, and then spend the majority of the time talking about Bitconnect[11]. The inclusion of anything besides Bitconnect in Trevon James' channel was absolutely nothing more than an attempt to portray himself as more knowledgeable than he was, when in reality, what individuals like Trevon James were doing was simply instilling trust in a vulnerable demographic in order to obtain more affiliate bonuses. Influencers of Voyager generally executed the same practices.
15. Undeterred by the collapse of Bitconnect, "educators" and "influencers" such as Trevon James turned their attention to their next affiliate scheme. Amazingly, in the same video Trevon James titled "My Final BitConnect rant!", he included an affiliate link for DavorCoin[12]: which was functionally the exact same thing as Bitconnect. Upon DavorCoin's collapse, influencers such as Trevon James moved on to DeFi projects, such as "Proof of Weak Hands" (PoWH) (which, as would be within the requirements of "educators" and "influencers" of this nature, had an affiliate program), justifying themselves by saying that since projects such as PoWH were decentralized[13], they were not scams.
16. Regardless of whether or not the criteria for DeFi projects to be considered a scam or a pyramid (which individuals such as Trevon James embraced when promoting PoWH, calling it a "transparent pyramid"), the bottom line became clear quickly: these

[11] https://www.facebook.com/watch/?v=1857906427763280

[12] https://behindmlm.com/companies/bitconnect/top-investor-insists-bitconnect-not-a-ponzi-discourages-bcc-selling/

[13] While these projects were smart contract based, there was a lack of transparency in several key areas, including elements of pre-mining and use of foundation tokens.

"influencers" and "educators" needed something a little more than DeFi to continue to enrich themselves. Indeed, DeFi has something of a higher access barrier to newer cryptocurrency users, as it has a somewhat higher learning curve than simply onboarding to an exchange. The conversions and volume (and thus earnings these "educators" and "influencers" made via platforms such as PoWH saw, relative to Bitconnect (or, in the future, CeFi), were simply too low for their satisfaction.

17. It was harder for these "educators" and "influencers" to onboard their viewerbase to PoWH than it was Bitconnect not just due to the technical ability barrier, but because a transparent pyramid scheme had limitations to earnings; the followers would need to even more aggressively promote PoWH/equivalent to be profitable. Further, there was general apprehension in the industry regarding trusting anonymous teams.
18. The combination of factors resulting in these "influencers" and "educators" would not stand, as these unfortunate participants desired to make a living somehow. Enter the rise of CeFi, where a new opportunity awaited, especially with the next bull market and influx of "fresh blood" for these "educators" and "influencers" to profit off of.
19. Even if "educators" and "influencers" such as Trevon James truly believed Bitconnect had a trading bot, the existence of that trading bot would mean that another entity was performing activity which was essential in order to generate the very profit they were aggressively drawing attention to in their promotion. This activity is quite literally defining criteria under the Howey test. Unsurprisingly, individuals that promoted BitConnect fell under scrutiny for violation of the Securities Act[14]. Even if those that promoted Voyager truly believed that Voyager was performing low-risk activity in line with their public representations, these "educators" and "influencers" still had to have the knowledge that such activity would be taking place for the belief to be true – in essence, knowingly promoting securities.

IV. "IT'S DIFFERENT THIS TIME, TRUST US."

"History doesn't repeat itself but it often rhymes." - Mark Twain

20. Much like was the case with Bitconnect, many in the blockchain industry (again, myself included) warned of the dangers of interest-bearing CeFi applications/companies, such as Voyager. Companies such as Voyager lacked transparency in quickly and easily verifiable categories, such as solvency and use of funds. The irony of blockchain technology providing the ability for such transparency,

[14] https://www.theverge.com/2022/2/18/22941470/bitconnect-ponzi-bitcoin-securities-act-sec-lawsuit-influencers-youtube-tiktok

while firms such as Voyager promoted themselves as a safe haven for newer investors educating themselves, is overwhelming.

21. The conditions for platforms like Voyager to excel were already in the making. Voyager launched after the collapse of Bitconnect[15] and offered the "perfect storm" of conditions to wed the "educators" and "influencers" they knew would be core partners in lining one another's pockets.
    a. The cryptocurrency scene and general public were wary of anonymous teams, particularly after Bitconnect's (which was owned by an anonymous team) collapse. Voyager was an organization with "real people" running it. The thought process firms like Voyager hoped to instill (and successfully instilled) was plain to me: "We're public-facing, so we're clearly not going to deceive you."
    b. Newer cryptocurrency investors, particularly those in the western world that Voyager targeted, were wary of sending their funds to "offshore" or distant entities. Voyager made it a point to have western company registrations. And Voyager exploited trust in both the facts they had a public-facing team and these company registrations as a means to make would-be customers and customers believe they wouldn't do anything unbecoming with customer deposits.
    c. Newer cryptocurrency investors would face technical challenges and generally be harder to "convert" into DeFi, seen as too "technical" and "geeeky" by the "mainstream"[16]. Platforms like Voyager simply required an app to be downloaded and were generally designed to be extremely user-friendly as they targeted the new user demographic.
    d. Newer cryptocurrency investors that felt they may have "missed the boat" were eagerly seeking a way to make money with cryptocurrency. Providing passive income for simply depositing cryptocurrency that customers were led to believe could be withdrawn at any time (since the company was adherent to their representations of activity, and, thus, solvent enough for said withdrawals) was the perfect set of conditions to replace Bitconnect.
    e. DeFi platforms such as PoWH didn't quite allow for the degree of influencer compensation (undisclosed compensation, as well as compensation per "signup" or "action") that Bitconnect offered. Voyager offered a very lucrative

[15] https://www.businesswire.com/news/home/20180725005043/en/Voyager-a-New-Multi-Exchange-Crypto-Asset-Brokerage-to-Launch-with-Commission-Free-Mobile-Trading-in-Q4
[16] https://www.coindesk.com/business/2020/09/02/for-defi-to-grow-cefi-must-embrace-it/

affiliate program that provided a reward that is arguably less financially sustainable than Bitconnect's affiliate program

22. All of the conditions were in place, and all it would take was the next bull market for the dominos to start falling perfectly: mainstream news would cover cryptocurrencies as well-known assets such as Bitcoin experienced massive exchange rate increases, which would lead new and naive investors to cryptocurrency. These newer and naive investors had heard of Bitcoin appreciating immensely in exchange rate on CNN: why would the "educators" and "influencers", or Voyager themselves, not be able to make them rich, too?
23. Companies such as Voyager, as well as their peers such as Celsius and BlockFi, went from small startups to companies handling billions of dollars worth of cryptocurrency under their management. There is an undeniable correlation between CeFi assets under management, social media activity, and other metrics (in short: higher across the board) and the cryptocurrency market cycle. In the simplest terms possible, firms like Voyager exploited the market hype: the moment that the cryptocurrency market seemed to be that of a bull market, Voyager seized the opportunity to target the influx of new cryptocurrency investors they knew a bull market would create. Voyager's activity noticeably increased late 2020 and in 2021 especially, directly in line with the bull market[17]. A firm responsibly managing customer assets (even volatile assets, such as digital assets) would not rapidly become insolvent as Voyager did in 2022.

[17] https://time.com/nextadvisor/investing/cryptocurrency/bitcoin-price-history/#:~:text=Bitcoin%20broke%20%241%20in%20April,bottomed%20out%20again%20at%20%242.

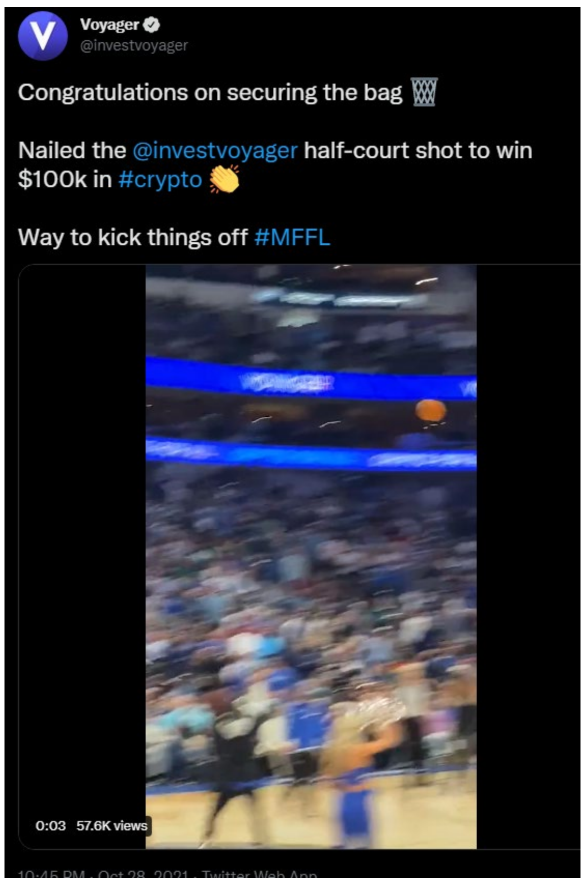
24. Voyager aggressively began to scale their Ambassador Program in late 2019 and early 2020[18], at the height of irony after what happened with Bitconnect, specifically seeking "influencers" and "media creators." Unsurprisingly, there were "educators" and "influencers" keen to spread the "virtues" of Voyager, including parroting demonstrably false claims of "commission free" trades. While it is not known whether Voyager provided the phrasing for the content, such as that shown in the above Twitter posts, or the influencers did, what is certain is that both Voyager and these "influencers"/"educators" knew and know claims such as being "commission free" were false. Ehrlich claimed scaling from 150,000 users to over 2 million users in a 9 month timeframe in a Decrypt podcast[19].

25. "Influencers" and "educators" will promptly hop from one "flavor of the moment" to the next – Bitconnect, pyramid DeFi, CeFi, etc. Perhaps unsurprisingly, many of these "influencers" and "educators" also made a pretty penny promoting particular NFTs. Immediately before Voyager's collapse, Voyager was making sure not to miss a beat by getting into the NFT hype[20] and paying NASCAR drivers for sponsorship – ironically, with cryptocurrency. Most reasonable people, as well as this expert, would not expect a firm like Voyager to be utilizing my deposits to promote themselves via NASCAR; I could think of far better uses for the money, not to mention ones that would be in alignment with Voyager's representations of how said assets would be

[18] https://twitter.com/investvoyager/status/1247958471661756419?lang=en
[19] https://soundcloud.com/user-792539118-188863837/oct-4-is-9-apy-too-good-to-be-true
[20] https://blockworks.co/voyager-cmo-crypto-is-changing-the-way-we-interact-with-money/

utilized. Not one to miss the current hype train, Voyager made sure to throw around the buzzword of the moment ("metaverse"), despite demonstrating no clearcut way of how Voyager would have anything to do with any metaverse.

26. As one of countless examples of meme-worthy irony, Voyager offered to found crypto accounts for each rostered player in The National Women's Soccer League and to provide them with "financial education"; in my opinion, if the "financial education" was executed in good faith, those Voyager accounts would have been promptly emptied. It likely does not require a "financial education" course to determine that awarding $100,000 to someone making a basketball shot is among the first things I'd want a firm doing with my investment.



27. Bitconnect's own promotional material had an emphasis on blockchain technology itself (it spoke heavily of decentralized assets and general concepts) and that it was "easier", "educating its community", and provided "stable income"[21]. Voyager's strategy, as well as that of their influencers, was effectively a mirror match: content was focused on broader blockchain technology/cryptocurrencies and comparatively

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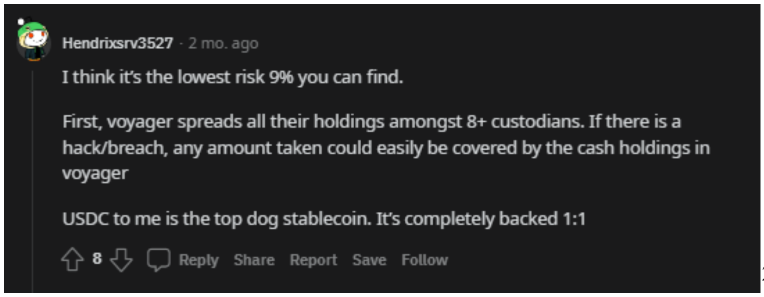
[21] https://www.youtube.com/watch?v=wnt1zVzavgk&ab_channel=SamKapoi

rarely anything specific to Voyager, while simultaneously representing "educational" efforts and a desire to provide safe, passive income.



[22]

28. Voyager, much like Bitconnect, had ample opportunity to correct their promoters if they misspoke, or to correct their community members in the event misinformation was spread. Despite having an entire moderation team, Voyager's Reddit and other social media platform were and are rife with deliberately misleading or demonstrably false information. If Voyager spread all of their holdings (or even just their USDC holdings) across "8+ custodians"), how would they be loaning out said holdings for profit? Yet, strangely, this comment is extensively upvoted – because anything dissenting might prompt moderation action.

[23]

Voyager plainly did not intend to cease their referral program, despite it plainly being a part of the reason for their insolvency.

[22] https://www.reddit.com/r/Invest_Voyager/comments/vcb6vs/how_risky_is_keeping_usdcassets_in_voyager/
[23] https://www.investvoyager.com/marketingpromos/

ASSET	TIER	ANNUAL %	AMOUNT
BTC BITCOIN Min. monthly balance: 0.01 BTC	Tier 1	3.25%	Up to 0.25
	Tier 2	2.00%	0.25-2
	Tier 3	1.25%	> 2
ETH ETHEREUM Min. monthly balance: 0.5 ETH	Tier 1	4.50%	Up to 20
	Tier 2	3.00%	20-50
	Tier 3	1.50%	> 50
USDC USD Coin Min. monthly balance: 100 USDC	Tier 1	9.00%	100-25,000
	Tier 2	7.25%	25,000-100,000
	Tier 3	6.50%	> 100,000

[24]

29. The sudden reversal (higher deposits generating less yield) bears no clear economic logic compared to the historical norm of incentivizing more deposits. In my estimation, the reason firms such as BlockFi and Voyager switched to offering lower yield on higher amounts was they knew that many of the "smaller fish" would flock to the higher percentiles, while firms such as BlockFi and Voyager could simultaneously lessen their risk to the "big fish" that may have more funding to pursue litigation.

30. Voyager's APY was called into question early, including in a 2021 podcast with Decrypt[25] (which, despite being recorded by someone that openly admitted to being a Voyager customer, aged like milk) titled "9% APY Too Good to be True" in which Ehrlich is questioned why Voyager can do this, but banks can't: "It's sustainable for us, yeah." Voyager never evidenced how this yield was sustainable: because it wasn't, and because Ehrlich lied. "We're sending coins to really secure, billion dollar companies" can not be an accurate risk representation with what (still little) we now

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[24] Note that 97% of Voyager users stored less than $10,000 on the platform (https://www.coindesk.com/layer2/2022/07/12/behind-voyagers-fall-crypto-broker-acted-like-a-bank-went-bankrupt/), which in my estimation, was a deliberate part of Voyager's strategy: individuals with lower losses will care less and be less equipped to pursue remedy.

[25] https://soundcloud.com/user-792539118-188863837/oct-4-is-9-apy-too-good-to-be-true

know Voyager customer assets were utilized for. Ehrlich also lied about having "hack insurance" in this podcast, or at least Voyager has not evidenced any such "hack insurance" protecting against a hack of Voyager itself, nor would hack insurance be at the top of the list of concerns whereas solvency would be; a solvency audit would be a higher priority than hack insurance for an organization like Voyager if legitimately and competently managed. In just one approximately 23 minute podcast, Ehrlich lies about a variety of critical issues that, in and of itself, is sufficient to outline the issues of Voyager's misrepresentations; suffice to say, outlining all examples of Voyager's representations would make this report potentially hundreds of pages in length. The Decrypt podcast with Ehrlich, however provides what I assess to be an extremely accurate indicator of the problems with Voyager's representations in a 23 minute segment.

31. Ehrlich lying about the sustainability of their 'Earn' program is one of dozens, if not hundreds, of examples of Voyager deliberately lying and misleading the public, and fostered the culture and conditions for the "educators" and "influencers" to do the same.

32. Understanding the issues with promoting Voyager via professional sports teams requires understanding the audience. The average NASCAR viewer, or generally, the average professional sports viewer, is likely to be a lower to middle class individual with below average to average technical expertise. Certainly, an individual that has never been engaged with cryptocurrency and is exposed to digital assets for the first time via something like NASCAR is not only a new investor, but a naive one. By definition, this is a vulnerable demographic: for investment in general, and especially for investment in digital assets[26]. Representing to this demographic that investment in digital assets *at all* is low risk was and is wrong. Representing to this demographic that it is appropriate to keep one's "rainy day fund", let alone their life's savings, in digital assets, was and is wrong. Representing to brand new cryptocurrency investors an array of things regarding Voyager, such as that the APY was "sustainable" and low risk, was egregiously predatory and, in my opinion, more maliciously cunning than the activity of "direct scammers" such as those behind Bitconnect.

33. Put simply, Mark Cuban is no more qualified to provide digital asset investment advice than most laypeople. Experience in other investments makes not for an honest cryptocurrency "influencer", and, in fact, only increases the likelihood that they're

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[26] Investment in digital assets is widely accepted to be higher risk than "traditional" investments for a plethora of reasons, including but not limited to less regulatory protection and irreversible nature of transactions.

being paid for their social media following. Mark Cuban may know some things about finance and business, but he is in no way, shape, or form deeply experienced with blockchain technology. While Mark Cuban has an array of companies under his portfolio (including generally successful startups such as OpenSea, Zapper, and Polygon[27]), investment in a company does not mean expertise in the industry, and as has been the case with digital assets especially since the 2017 market, if you "throw enough darts", eventually something will stick – especially if you're getting undisclosed/non-public deals with more beneficial investment terms than offered publicly. Mark Cuban is not far removed from other "influencers" that focus on price discussion and have experience largely limited to trading the altcoin/NFT flavor of the week to try to catch a profit.

34. In the simplest terms possible, "influencers" like Mark Cuban were utilized purely for their reach. Ironically, the area Mark Cuban would have more knowledge business knowledge should have made plain that Voyager's APY was not sustainable. Despite this, Mark Cuban opted to promote Voyager aggressively, including via the Dallas Mavericks[28].

"In stocks and crypto, you will see companies that were sustained by cheap, easy money — but didn't have valid business prospects — will disappear," Cuban said. "Like [Warren] Buffett says, 'When the tide goes out, you get to see who is swimming naked." - Mark Cuban[29]

35. Voyager didn't simply lack "valid business prospects" – it was doomed from the onset. "Educators" and "influencers" continue to push Voyager's false narrative that the reasons for their collapse were somehow outside of their control, citing "market conditions" and other external factors. It's also worth pointing out that despite Mark Cuban's purported sharp acumen, he didn't see risks with Voyager during the earlier stages of the recent crypto bear market, such as when interviewed in May of 2022[30]. Put simply, Mark Cuban knew better both when he was promoting Voyager early, and all the way through the endgame of Voyager collapsing shortly after his May 2022 interview.

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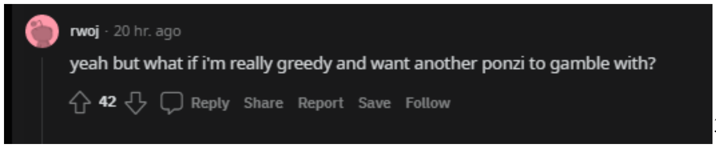
[27] https://markcubancompanies.com/blockchain/

[28] https://nypost.com/2022/07/06/dallas-mavericks-fans-fume-at-mark-cuban-over-voyager-crypto-bankruptcy/

[29] https://nypost.com/2022/07/06/dallas-mavericks-fans-fume-at-mark-cuban-over-voyager-crypto-bankruptcy/

[30] https://www.cnbc.com/2022/05/12/mark-cuban-crypto-is-going-through-a-similar-lull-to-early-web.html

36. Much like happened with Trevon James moving from Bitconnect to his next scheme, the "influencers" that promoted Voyager quickly moved on to other projects[31].



[32]

The most upvoted comment from a thread on Voyager's own Reddit on 8/8/2022.

37. Mark Cuban suggested that it would be safe to save only four month of expenses in the form of USDC and to live off of 7% "on DeFi". The average salary of a full time employee in the US in 2021 was approximately $5,854 per month[33]. This would be a savings of $23,416. To state the obvious, a 7% yield on that figure will not pay one's bills. There would be no point in putting assets you'd need for expenses into a yield program (especially if it was subject to lock), and it would be insanely risky to put money one will need to pay the bills into something (that Mark Cuban knew was) risky. Regardless of whether Mark Cuban was alluding to Voyager and not DeFi here, this Tweet is an example of what led many Voyager customers into false confidence.

V. SUMMARY

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31 https://www.reddit.com/r/VoyagerExchange/comments/vszbnk/anyone_else_think_jrnycrypto_is_a_punk_for_not/

32 https://www.reddit.com/r/Invest_Voyager/comments/wis6si/alternatives_for_people_looking_for_high_interest/

33 https://www.ziprecruiter.com/Salaries/Average-Salary-per-Month

"The most counterintuitive takeaway from both Celsius and BitConnect is that neither was fundamentally a "crypto scam" in the most common sense. The risk in both cases was exaggerated not by the involvement of blockchains, but by their absence." - Coindesk[34]

38. Per my Preliminary and Supplemental reports, a fundamental issue with Voyager was and is a lack of transparency – ironically, on things evidenced easily with blockchains. Coindesk's article on Celsius accurately captures the issues with Voyager.

"Both Celsius and BitConnect claimed their trading activities couldn't be made transparent for essentially strategic reasons. BitConnect's "proprietary" trading bot certainly would have been worth stealing if it had ever actually existed. Celsius' veil of secrecy, similarly, wouldn't be unusual in the worlds of hedge funds or money management – a profitable trade, particularly a profitable arbitrage, usually needs to be concealed so that other traders don't copy it and erode or eliminate returns.

But neither entity was actually concealing genius trading innovations. BitConnect was hiding outright theft, while Celsius was merely obfuscating rank incompetence. For instance, in what now looks like an active disinformation campaign, Celsius ran its latter-day DeFi trading through a social media front known as 0xb1. Based on its volume, the 0xB1 wallet and identity was presumed to be a massively wealthy individual "whale," and was only revealed as a proxy for Celsius funds after the platform's collapse. And, surprise surprise, 0xb1's activities appear to have effectively lost hundreds of millions of dollars in customer funds."

39. One could replace 'Celsius' with 'Voyager' and obtain the same takeaways. Voyager, much like Celsius, exploited vague and misleading statements and was nowhere near as innovative nor successful as they represented. Both Celsius and Voyager used customer assets in a way that raised eyebrows, and both Celsius and Voyager have still provided minimal insight into the use of customer assets.

"If the Celsius case finds its way to any sort of criminal action, it feels more likely to be related to unexplained individual acts, such as CEO Alex Mashinsky's transfers of CEL tokens and other assets to his wife, than to the system's overall design and misleading marketing. In part, Celsius' confusing structure and rhetoric may actually help shield scrutiny, simply because it might take too much effort to convey to a jury.

[34] https://www.coindesk.com/layer2/2022/07/27/celsius-and-bitconnect-not-so-different/

But regulators who really want to protect savers from hidden risk or outright fraud should learn to pay better attention to obvious red flags. Maybe they'll actually be able to stop it the third time around.

Or the fourth. Or the fifth.

We can only hope."

40. It has been my prediction that Voyager mismanaged customer assets as well as had inappropriate utilization of the VGX token, from the onset. Both Celsius and Voyager operate a series of companies and have a tendency to add layers of complexity to simple topics in order to absolve themselves of the transparency and accountability that can and should be standard in the blockchain industry: the industry which is, ironically, best equipped to flourish with such transparency.
41. Regulators can not and will not be equipped to handle all cryptocurrency fraud. It has always been the case, and in my estimation will continue to be the case for the foreseeable future, that enforcement actions will generally be too little, too late. Indeed, I identified concerns related to Voyager's solvency (or lack thereof) in my Preliminary Report, which was filed well before Voyager's announcement they were suspending operations. In between the two aforementioned events, regulators were beginning to scrutinize Voyager. Governments have been, still are, and will be for the foreseeable future in a state of "crypto catchup."
42. There will always be a steady stream of less than honest individuals willing to exchange their integrity for money. These individuals will happily promote projects they know are problematic, and the unfortunate reality of the blockchain industry is that there will likely be a new "investment flavor" in the very near future that these same "educators" and "influencers" aggressively promote. Said differently: there will always be Bitconnects and Voyagers, and there will always be those willing to promote them. There will always be an ecosystem of snake oil manufacturers and salesmen.
43. Put simply, regulatory and law enforcement agencies alone can not curtail these issues: the only way to kill this snake oil cycle is to make the snake oil manufacturers and salesmen fear consequences. As somebody meaningfully employed in the blockchain industry, unlike the "influencers" and "educators" promoting outright scams, I would consider any efforts to hold accountable those deliberately misleading new investors to be noble efforts which are not only extremely positive for my industry, but are essential efforts for the industry to finally mature.

// ENDS

Richard A. Sanders
Lead Investigator, Principal
CipherBlade

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